

S O C I A L S E C U R I T Y

TODAY

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21 PERCENT INCREASE FOR 1998

Social Security has announced the new benefit rates for 1998. Social Security and Supplemental Security Income beneficiaries will receive a 2.1 percent cost-of-living increase. The increase will begin with payments that Social Security beneficiaries receive for December 1997 which will be paid in January 1998. Increased payments for SSI recipients will begin on December 31.

NEW RATES

The average monthly Social Security benefit for a retired worker will increase from \$749 before the cost-of-living adjustment to \$765 in January 1998. The average monthly benefit for a couple where both spouses are receiving benefits will be \$1,288 in January 1998 compared with \$1,261 in January 1997. Average monthly disability benefits will be \$722 compared with \$707 before the increase. A young widow with two children will receive \$1,522 compared with \$1,491 last year.

The maximum federal SSI monthly benefit for one person will be \$494 in January 1998 up from \$484 a year ago. For a couple, the maximum monthly amount will increase to \$741 in January 1998, up from \$726 in 1997. Because many states add money to the federal benefit, total payments may vary from state to state.

CHANGES BASED ON CONSUMER PRICE INDEX

The annual increase in Social Security and SSI benefits is based

on the change in the Consumer Price Index from the third quarter of one year to the third quarter of the next. Because of low inflation, the automatic increase is the lowest since December 1986 when beneficiaries received a 1.3 percent increase and is the second lowest since the automatic adjustment became effective in 1975. Most private pensions provide no automatic cost-of-living increases at all.

In announcing the benefit increase, Social Security Commissioner Kenneth S. Apfel said, "Today's news confirms that inflation remains under control. Low inflation is good for America, particularly for many Social Security beneficiaries with limited incomes."

Other changes that become effective on January 1, 1998, based on the automatic adjustment provisions in the law include the following:

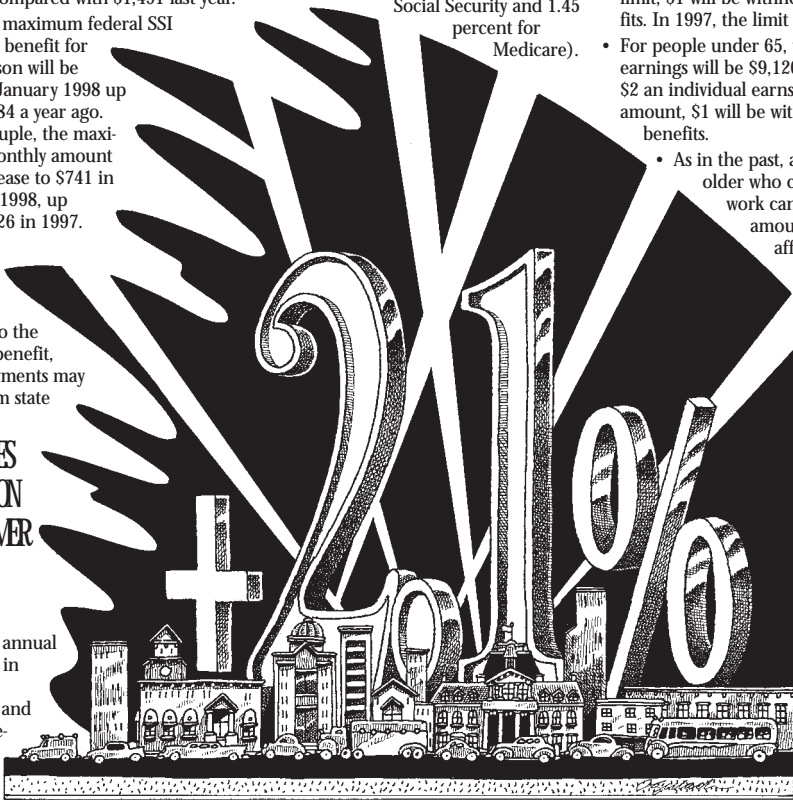
- The Social Security wage base for 1998 will be \$68,400, up from \$65,400 in 1997. The wage base is the maximum amount of earnings that are taxed for Social Security.
- The combined Social Security and Medicare tax rate will not change in 1997. For employees, it remains at 7.65 percent (6.2 percent for Social Security and 1.45 percent for Medicare).

The tax rate for self-employed individuals remains at 15.3 percent (12.4 percent for Social Security and 2.9 percent for Medicare). As in 1997, all wages and salaries will be subject to the Medicare portion of the Social Security tax -- 1.45 percent for employees and 2.9 percent for the self-employed.

- The amount of earnings needed for one quarter of coverage, or a Social Security credit, will be \$700, up from \$670 in 1997. No one can earn more than four credits in a calendar year. Thus anyone earning at least \$2,800 in 1998 will receive the maximum of four credits. To be eligible for Social Security benefits, a worker needs a specific number of credits. The number depends on his or her date of birth and the type of benefit. Most people need 40 credits to be eligible for retirement benefits, but some younger people can qualify for disability benefits with as few as six credits.
- The maximum amount of money that a beneficiary between the ages of 65 and 69 can earn in 1997 and still receive his or her full Social Security benefit amount is \$14,500. For every \$3 of earnings over this limit, \$1 will be withheld from benefits. In 1997, the limit was \$13,500.
- For people under 65, the limit on earnings will be \$9,120. For every \$2 an individual earns over this amount, \$1 will be withheld in benefits.

- As in the past, anyone 70 or older who continues to work can earn any amount without affecting the amount of his or her benefits.

For more information on the new rates call 1-800-772-1213 and ask for the factsheet, *Social Security Update - 1998*. In January, the factsheet will also be available by Fax, 1-888-475-7000, *Document 100*; and on the Internet www.ssa.gov.



MEET A BENEFICIARY

WORKING FOR UNCLE SAM

by Bob Tyler, Idaho Falls

As a Supplemental Security Income (SSI) claims rep, I come in contact with people of all ages and many backgrounds. But one left a particularly vivid impression recently.



Ed's note: Kason was one of about one million disabled children who received SSI disability payments in 1997.

The case in point began with a phone call from the mother of 13-year-old SSI beneficiary Kason Adamson. She was calling to inform me of her son's death due to a heart condition he had been living with since birth.

After expressing her appreciation for the help the SSI checks had provided over the years, Kason's mother, Reneta, went on to say that her son liked to think of his SSI benefits as a paycheck rather than a hand-out. He thought of himself as working for Uncle Sam and his job was to show others that a disabled person could accomplish whatever he or she wanted to. Kason was a

boy scout and served as a deacon in his church. He felt that he had to earn his SSI check by being the best person that he could be.

I was impressed with the maturity of this 13-year-old who, while dependent upon the help of others because of his poor health and financial situation, nevertheless felt he had a mission — to serve others by his example. Kason had the wisdom and humility to understand that there is no difference between the server and the served. Whether we receive a government benefit check or the gift of inspiration provided by a disabled person, we are all beneficiaries.

PROJECT ABLE OPEN TO PRIVATE SECTOR

Looking for a list of qualified individuals who are ready, willing and quite able to work? Then it's time to check out Project ABLE, a national resume bank which provides an easily accessible pool of job applicants ready to go to work. And the listing is available to employers at no cost.

Project ABLE is a data base of people receiving Social Security disability benefits who have prepared themselves for work. It had been available only to federal agencies looking for employees, but it's now open to businesses and organizations in the private sector as well. Each job candidate has been evaluated by state certified vocational rehabilitation counselors or Veterans Administration counselors. Potential employees are job-ready and have the basic qualifications for their chosen careers.



If you have a job vacancy in your organization and think Project ABLE can help, forward your position description or job vacancy announcement to the Project ABLE staff at the Office of Personnel Management. The staff will match qualified job-seekers to your opening(s) and forward the resumes of qualified individuals, usually within 24 hours. To initiate the process, call Project ABLE at 757-441-3362. You can also reach them by fax, 757-441-3374, or EMAIL at projable@opm.gov.

For more information about Project ABLE, contact Regina Sajauskas, 410-965-5381, or Regina.L.Sajauskas@ssa.gov.

NEW RATES FOR MEDICARE

Medicare rates are recalculated each year to reflect changes in the cost of health care or changes in the Medicare law. The following changes become effective January 1, 1998.

RATES		
Hospital Insurance (Part A)	1997	1998
For first 60 days in hospital/hospital insurance deductible	\$760	\$764
For days 61-90 in hospital/beneficiary pays per day	190	191
For days 91-150 in hospital/beneficiary pays per day	380	382
For first 20 days of therapeutic care in a skilled-nursing facility following at least three consecutive days in the hospital, Medicare pays 100 percent of covered expenses.		
For days 21-100 in skilled-nursing facility/beneficiary pays per day	\$95.00	\$95.50
Medical Insurance (Part B)		
Monthly premium	43.80	43.80

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FOR MORE INFORMATION

If you'd like more information about any of the items in *Social Security Today*, there's an easy way to find out more. Just call Social Security at 1-800-772-1213 weekdays between 7 a.m. and 7 p.m. To make sure you get through as fast as possible call early in the day. Other good times to call are later in the week and later in the month. If you have access to the Internet, you can also get a variety of information about Social Security programs at <http://www.ssa.gov>.

COMMISSIONER'S MESSAGE

Kenneth S. Apfel
Commissioner of Social Security



There can be no higher calling for me than to guide the Social Security Administration into the next millennium and to help ensure economic security for future generations. You see, my family and I know first-hand the importance of Social Security. My father and mother-in-law are among the more than

30 million older Americans who receive monthly Social Security retirement benefits. And my wife was also touched by Social Security. When she was a young girl, her father died, leaving her mother and three sisters alone and dependent on the Social Security survivors benefit check to help keep food on the table. I also know that Social Security can make a difference in the lives of individuals who are disabled. As a young congressional staff member to Senator Bill Bradley, I saw first-hand the difference disability benefits made in the lives of our constituents. The younger generation needs assurance that Social Security will be there for them too. To provide these assurances, we must address the long-term solvency of the Social Security program while ensuring that current and future generations of America's citizens continue to be provided a floor of protection. The truth is that the

demographic changes confronting us will force tough choices to be made, and the sooner we make them, the better. The American people deserve early action to be able to plan for changes. And Americans of all ages need to have confidence that this important program will be there for them. But we cannot make these choices in a vacuum. Critical discussions about the future of Social Security need to take place not only in committee hearing rooms on Capitol Hill, but also in family living rooms all across America. As Commissioner, one of my most important roles will be to help people understand Social Security today so that they will be prepared to help make the tough choices to ensure that economic security will be there for them tomorrow. I am honored that the President and Congress supported me as the first confirmed Commissioner of the independent Social Security Administration.

WORLD CLASS SERVICE

Looking for Better Ways to Serve the Public

Finding better ways to serve the public is a way of life at Social Security. And quite often that can mean a better way of life or an unexpected burst of happiness for the people we serve. Talk about happiness. Wait until you hear about Hildegarde (Hilda) Coles, a widow who lives in southern New Jersey. By coincidence, the day after Hilda celebrated her 85th birthday, she received a letter from Social Security asking her to call or visit her local office because she was eligible for a higher benefit. Admittedly, she was skeptical. But when Hilda and her daughter visited Social Security, she learned she was eligible for a benefit based on her own work record. And that would double the amount she had been receiving on her husband John's

record since his death. She also learned the benefit based on her record would be retroactive for six months. How could this be? Quite simply, Social Security discovered that some widows and widowers who were receiving survivors benefits weren't re-contacting Social Security when they reached 65. When applying for survivors benefits initially, spouses are asked to get in touch with Social Security again upon reaching full retirement age because they may be eligible for a retirement benefit based on their own record. Unfortunately, as the years go by, some people forget to check back to see if they are entitled to a higher benefit. And that's what happened to Hilda Coles. At age 59, Hilda took a job managing the cafeteria at the local high school. Hilda and her cooking were so popular with the

students, the teachers and the administrators, that she kept the job for 25 years, retiring this year at age 84. Hilda, who lives across the street from the high school and within a block of her children, was delighted to receive the extra money and says it has "certainly made life nicer." Hilda Cole is just one of nearly 222,000 widows or widowers Social Security contacted recently to let them know they may be eligible for higher benefits. More than 130,000 have already contacted a local office to file a claim, and most have already begun receiving the higher benefits. Social Security is now implementing an automated system to contact surviving spouses four months before they reach 65 when Social Security's records indicate that they may be eligible for higher benefits based on their own earnings record.



KEEP IN MIND

THE RIGHT TIME TO FILE FOR MEDICARE

"I'll soon be 65 years old, and I'm going to keep on working. When should I file for Medicare?" That's one of the most frequently asked questions Social Security offices receive.

The immediate answer is simple: When you're about three months from your 65th birthday, you should contact Social Security about enrolling in Medicare. If you're already receiving benefits, we'll automatically send you a reminder about enrolling in Medicare. But if you aren't receiving Social Security benefits, you won't get a notice from us. In that case, you should call our toll-free number, 1-800-772-1213, to make an appointment to talk with a Social Security representative. You can file your enrollment application by phone or in person at one of our 1,300 offices.

Enrollment is easy. However, there are some considerations and decisions to be made. First, there's some basic information you need to know about Medicare. There are two parts: Hospital Insurance (also known as Part A Medicare) which is paid for by a portion of the Social Security taxes workers like you pay on your earnings. Part A helps pay for inpatient care in hospitals or skilled nursing facilities following a hospital stay, home health care and hospice care.

Medical Insurance (Part B Medicare) is partly financed by monthly premiums which you'll pay if you

choose to enroll in that part of Medicare. The monthly premium remains the same for 1998 – \$43.80. Part B helps pay for doctors' services and many medical services and supplies that are not covered by Part A.

Although you'll need to enroll in Part A when you reach age 65, you can delay enrolling in Part B if you're currently employed and covered under a group health plan. After your group coverage ends, you can then enroll during a special enrollment period and avoid the 10 percent premium surcharge for late enrollment in Part B Medicare.

DIRECT DEPOSIT— WHY ARE YOU WAITING?

It won't be long. The cold winds of winter are just around the corner. If you sign up for direct deposit now, you can sit at home this winter, warm and cozy, and know your money goes to the bank every month. Direct deposit is the safe, convenient way to receive your Social Security or Supplemental Security Income benefits.

You don't have a bank account? Contact a bank, credit

union or savings and loan. They'll be glad to help you. If you already have a bank account, contact your bank or call Social Security toll-free, 1-800-772-1213. If you call Social Security, the Social Security rep will need to ask you a few questions to verify your identity.

Whether you call your bank or Social Security, you'll need your bank statement or personal check if you have an account, and your Social Security number. Your direct deposit will start within 30 to 60 days. We'll send you a letter telling you when you can expect your first payment to go directly into your bank account.

KEEP NOTICE FOR PROOF OF BENEFITS

If you are a Social Security beneficiary using direct deposit, you should receive a notice during December showing your increased benefit amount based on the 2.1 percent cost-of-living increase that goes into effect in January. It also lists the new figures for the annual earnings test, as well as the new Medicare premium and deductibles. If you are one of the 33 million beneficiaries who receive this notice from Social Security, be sure to keep it in a safe place. Keep in

mind that during the year, you may need to show your notice for benefit verification. You can use this notice when you need proof of your benefit amount for food stamps, rent subsidies, energy assistance, bank loans or for other business.

CONTACT SOCIAL SECURITY NOW EVEN IF YOU'RE RETIRING LATER

If you're planning to retire anytime in the coming year, it's a good idea to contact Social Security now. The date you choose to retire and the date you want to start getting Social Security benefits can make a difference. It may be to your advantage to start receiving monthly benefits in January, even if you don't plan on stopping work until later in the year. That's because you can work and collect Social Security at the same time. For your benefit application to be effective in January 1998, you'll need to file for benefits no later than January 31, 1998.

To pick the ideal time to stop working, it's best to discuss your plans with a Social Security representative.



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